

MAINE STATE LEGISLATURE

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115th MAINE LEGISLATURE

SECOND REGULAR SESSION-1992

Legislative Document

No. 2307

H.P. 1644

House of Representatives, February 6, 1992

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 26.
Reference to the Committee on Banking and Insurance suggested and ordered printed.

A handwritten signature in cursive script that reads "Ed Pert".

EDWIN H. PERT, Clerk

Presented by Representative LARRIVEE of Gorham.

Cosponsored by Representative MITCHELL of Vassalboro, Senator MILLS of Oxford and
Senator CLEVELAND of Androscoggin.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND NINETY-TWO

**An Act to Clarify the Definition of Certain Vehicles for Insurance
Purposes.**



Be it enacted by the People of the State of Maine as follows:

2
4 **Sec. 1. 29 MRSA §1, sub-§§3-J and 3-K** are enacted to read:

6 **3-J. For-hire transportation.** "For-hire transportation"
8 means the transportation for compensation of passengers, freight
10 or merchandise not owned by the carrier.

12 **3-K. Limousine.** "Limousine" means a vehicle for hire, with
14 a driver, that is used for the transportation of passengers and
16 that has a seating capacity of at least 5 and no more than 14
18 persons behind the driver.

20 **Sec. 2. 29 MRSA §242, sub-§1, ¶A,** as repealed and replaced by
22 PL 1989, c. 481, Pt. B, §1, is amended to read:

24 A. ~~Motor~~ The fee for motor vehicles used for the conveyance
26 of passengers shall ~~pay a fee of~~ is \$22. ~~Motor~~ The fee for
28 motor vehicles which ~~are~~ used interchangeably for the
30 conveyance of passengers or property shall ~~pay a fee of~~ is
32 \$22. These vehicles shall ~~must~~ be designated as
34 "combinations" and may be issued a special plate with the
36 word "Combination" in lieu of "Vacationland." Passenger
38 vehicles under contract with the State, a municipality or a
40 school district that are used to transport students must be
42 designated as "combinations." Commercial plates shall ~~may~~
44 not be issued to or displayed on automobiles.

46 Motor vehicles used for the conveyance of passengers which
48 are operated exclusively on islands having no roads
50 maintained or supported by the State shall ~~must~~ be
registered for a fee of \$2 and the municipality collecting
excise tax for these vehicles may collect an additional fee
of \$4 to defray the cost of removing abandoned vehicles.

For the purpose of registration only, a pickup truck may be
registered as provided for automobiles, provided that at no
time may the gross weight of a pickup truck so registered
exceed 6,000 pounds when used as a motor truck or truck
tractor. The owner of such a pickup truck desiring a gross
weight of the truck in excess of 6,000 pounds shall register
the truck as provided in section 246.

The registration fee for an electrically powered passenger
vehicle with a gross vehicle weight of 6,000 pounds or less
shall ~~be~~ is \$10 greater than the registration fee for a
similar vehicle powered by an internal combustion engine.

52 **Sec. 3. 29 MRSA §831,** as amended by PL 1991, c. 486, §§1 and
54 2 and c. 597, §21, is repealed.

2 **Sec. 4. 29 MRSA §831-A**, as amended by PL 1991, c. 597, §22,
is repealed.

4 **Sec. 5. 29 MRSA §2241, sub-§1**, as amended by PL 1989, c. 866,
6 Pt. B, §17 and affected by §26, is further amended by amending
the first paragraph to read:

8 **1. Suspension or revocation.** The Secretary of State or any
10 deputy secretary of state may suspend or revoke any certificate
of registration, certificate of title or any license or
12 commercial driver's license issued to any person to operate a
motor vehicle or right to operate a motor vehicle or right to
14 obtain an operator's license after hearing for any cause deemed
determined sufficient. The Secretary of State or any deputy
16 secretary of state is also authorized to suspend or revoke any
certificate of registration, certificate of title, any license
18 ~~or~~ commercial driver's license, operating authority permit or
any fuel use decal issued to any person without preliminary
20 hearing upon showing by the Secretary of State records or other
sufficient evidence that the person:

22 **Sec. 6. 29 MRSA §2708**, as repealed and replaced by PL 1989,
24 c. 866, Pt. B, §24, is repealed.

26 **Sec. 7. 29 MRSA §2708-A** is enacted to read:

28 **§2708-A. Insurance, bond or self-insurance required**

30 **1. Insurance, bond or self-insurance required.** The
32 Secretary of State may not register any motor vehicle for rent,
lease, hire or livery and a person may not operate or cause to be
34 operated on any public highway in the State such a motor vehicle
until the owner or owners of that vehicle procure insurance or a
bond covering the operation of that vehicle by:

36 A. Presenting a valid and sufficient insurance policy from:

38 (1) An insurance company authorized by the
40 Superintendent of Insurance to transact business in
this State; or

42 (2) With the approval of the Secretary of State, an
44 insurance company authorized to transact business in
any state that provides an indemnity bond bonding the
46 insurance company in an amount the Secretary of State
prescribes and having as surety a surety company
48 authorized by the Superintendent of Insurance to
transact business in this State;

2 B. Presenting a good and sufficient indemnity bond,
3 approved by the Secretary of State, bonding the applicant in
4 an amount the Secretary of State prescribes, and having as
5 surety 2 responsible individuals or a surety company
6 authorized to transact business in this State; or

8 C. Presenting a declaratory judgment issued by the
9 Interstate Commerce Commission authorizing the owner to
10 self-insure.

12 2. Minimum requirements. The minimum requirements are as
13 follows.

14 A. There is a \$350,000 combined single limit for rental
15 vehicles, emergency vehicles and for-hire transportation
16 vehicles for transporting freight or merchandise but not
17 passengers.

18 B. If the owners or operators of the vehicles present a
19 notarized statement to the Secretary of State certifying
20 that the vehicles are used exclusively for travel in the
21 State only, for livery passenger vehicles or for-hire
22 transportation vehicles for transporting passengers,
23 including motor vehicles under contract with the State, a
24 municipality or a school district that transport students,
25 but not vehicles defined as school buses in section 2011,
26 there is a combined single limit of:

- 27
28
29
30 (1) \$300,000 for vehicles with 7 or fewer passengers;
31
32 (2) \$750,000 for vehicles with 8 to 15 passengers; and
33
34 (3) \$1,500,000 for vehicles with 16 or more passengers.

35 C. If the owners or operators do not have a notarized
36 statement as set out in paragraph B, for livery passenger
37 vehicles or for-hire transportation vehicles for
38 transporting passengers, including motor vehicles under
39 contract with the State, a municipality or a school district
40 that transport students, but not vehicles defined as school
41 buses in section 2011, there is a combined single limit of:

- 42
43
44 (1) \$1,500,000 for vehicles with 15 or fewer
45 passengers; and
46
47 (2) \$5,000,000 for vehicles with 16 or more passengers.

48 D. For school buses as defined in section 2011, there is a
49 combined single limit of:
50

2 (1) \$500,000 for school buses with up to 30
3 passengers; and

4
5 (2) \$1,000,000 for school buses with 31 or more
6 passengers.

8 3. Maintenance of insurance. The owner or owners of any
9 vehicle subject to this section shall maintain at all times the
10 required amount of insurance or bond during the term of the
11 vehicle's registration. For vehicles registered in this State,
12 the Secretary of State shall immediately suspend or revoke,
13 pursuant to chapter 17, the registration certificate and
14 registration plates of any vehicle for which the insurance or
15 bond in the amounts required is not maintained. Any person whose
16 registration certificate, registration plates and operating
17 authority permit have been suspended or revoked pursuant to this
18 section shall immediately return the registration certificate,
19 registration plates and the operating authority permit to the
20 Secretary of State. For vehicles not required to be registered
21 in this State, the Secretary of State shall suspend the person's
22 operating authority permit or right to operate in this State.

24 4. Additional requirements. In addition to this section,
25 those for-hire carriers not exempted under section 2709 shall
26 comply as required pursuant to sections 2703 and 2704.

28 5. Coverage of insurance or bond. The insurance policy or
29 bond must adequately provide for cargo or garage keeper insurance
30 and for the collection of damages for which the holder of a
31 permit may be liable by reason of the operation of any motor
32 vehicle or vehicles subject to this chapter.

34 6. Cargo insurance exemptions. Notwithstanding this
35 section, any person, firm or corporation transporting logs,
36 pulpwood, garbage, refuse, sludge, junk vehicles, unserviceable
37 vehicles, manure, wood chips, bark or hogged fuel is not required
38 to provide cargo insurance. Any wrecker service that has garage
39 keeper insurance and tows serviceable vehicles is not required to
40 provide cargo insurance. Any person, firm or corporation
41 transporting freight between points within this State and points
42 without the State or between points without the State but passing
43 through this State is not required to provide cargo insurance.

44
45 7. Exemption. School buses owned by a municipality or
46 school district are exempt from the insurance requirements
47 established in this section.

48
49 Sec. 8. 29 MRSA §2709, sub-§1-A, ¶Q, as amended by PL 1989, c.
50 866, Pt. B, §25 and affected by §26, is further amended by
 repealing and replacing subparagraph (1) to read:

2 (1) The operation of a motor vehicle under contract
3 with the State, a municipality or a school district
4 used in transporting students;

6
8 **STATEMENT OF FACT**

10 This bill consolidates and standardizes the insurance
11 requirements for vehicles used for compensation for the
12 transportation of passengers and freight. This bill:

14 1. Defines "limousine";

16 2. Defines "for-hire transportation";

18 3. Requires that passenger vehicles under contract that are
19 used for the transportation of students be issued combination
20 vehicle plates for a fee of \$22;

22 4. Repeals the insurance requirements for vehicles used in
23 the transportation of passengers and property;

24 5. Adds to the authority of the Secretary of State the
25 ability to suspend or revoke a person's operating authority
26 permit;

28 6. Consolidates and standardizes insurance requirements
29 previously in the Maine Revised Statutes, Title 29 and rules of
30 the Department of the Secretary of the State, Division of Motor
31 Vehicles. The insurance requirement for rental vehicles,
32 emergency vehicles and vehicles used to transport property for
33 hire is \$350,000 combined single limit. The minimum insurance
34 for vehicles transporting passengers for hire is determined by
35 the number of passengers carried and whether the vehicles are
36 used exclusively within the State. Contract school buses are
37 required to insure to \$500,000 and \$1,000,000. School buses
38 owned by municipalities and school districts are exempt; and

40 7. Exempts vehicles for hire that are used to transport
41 students from operating authority requirements.
42